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RECORDATION NO. 19583-14
FILED 1425
MAR 3 1997 3:50 PM

March 3, 1997

Counterparts - Mr. Walsh

BY HAND

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Room 2214
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for filing and recordation pursuant to 49 U.S.C. § 11301 are one original and four executed counterparts of a Second Amendment to Mortgage of Locomotives and Security Agreement, a secondary document. The primary document to which it relates is the Mortgage of Locomotives and Security Agreement recorded on August 31, 1995 under Recordation No. 19583. It relates to the railroad equipment identified in Schedule 1 of the primary document, as amended by the Second Amendment. A copy of the amended schedule is attached as Attachment A hereto.

The names and addresses of the parties to the document are as follows:

Mortgagee

Bank of America National Trust
and Savings Association
(as Agent for certain lenders)
1455 Market Street
12th Floor
San Francisco, California 94103

Honorable Vernon A. Williams
March 3, 1997
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Mortgagor

MotivePower Industries, Inc.
1200 Reedsdale Street
Pittsburgh, PA 15233

Please file and record the document with indexing under the foregoing names.

A fee of \$24.00 is enclosed for the recordation. Please return the original and any extra copies not needed by the Board for recordation to the person presenting this letter.

A short summary of the document to appear in the index follows:

Second Amendment to Mortgage of Locomotives and Security Agreement, covering the locomotives identified in Schedule 1 of the primary document, as amended by the Second Amendment.

Very truly yours,

Timothy M. Walsh

Attorney for MotivePower
Industries, Inc.

Enclosures

SCHEDULE 1**To Mortgage of Locomotives**

February 27, 1997

Description of Locomotives Mortgaged:

<u>Model</u>	<u>AAR Designation</u>	<u>Road Number</u>	<u>Former Road Number (if Applicable)</u>	<u>Serial Number</u>	<u>Identifying Mark*</u>	<u>Former Identifying Mark (if Applicable)</u>
F45	D126	MPEX 5525	MKCX 5525	34036	Utah Rail	MKCX
F45	D126	MPEX 5527	MKCX 5527	34044	Utah Rail	MKCX
F45	D126	MPEX 5529	MKCX 5529	34054	Utah Rail	MKCX
SD45	D126	MPEX 9502	MKCX 9502	36379	Utah Rail	MKCX
SD45	D126	MPEX 9532	MKCX 9532	35489	Utah Rail	MKCX
SD45	D126	MPEX 9541	MKCX 9541	32532	Utah Rail	MKCX
SD45	D126	ATSF 5356	N/A	32062	Santa Fe	N/A
F45	D126	ATSF 5978	N/A	34064	Santa Fe	N/A
F45	D126	ATSF 5979	N/A	34065	Santa Fe	N/A
F45	D126	ATSF 5980	N/A	34066	Santa Fe	N/A
F45	D126	ATSF 5986	N/A	34072	Santa Fe	N/A
F45	D126	ATSF 5987	N/A	34073	Santa Fe	N/A
F45	D126	ATSF 5988	N/A	34074	Santa Fe	N/A
F45	D126	ATSF 5989	N/A	34075	Santa Fe	N/A
F45	D126	ATSF 5983	N/A	34069	Santa Fe	N/A
F45	D126	ATSF 5985	N/A	34071	Santa Fe	N/A
SW-1		MPEX 243	MKCX 243	1401	MPEX	MKCX
MK5000C		MPEX 9901	UP 9901	0194-01	MKCX	Union Pacific
MK5000C		MPEX 9902	UP 9902	0194-02	MKCX	Union Pacific
MK5000C		MPEX 9903	UP 9903	0194-03	MKCX	Union Pacific

RECORDATION NO. 19583-H FILED 1425
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**SECOND AMENDMENT TO MORTGAGE OF LOCOMOTIVES AND
SECURITY AGREEMENT**

**BY
MOTIVEPOWER INDUSTRIES, INC.
(f/k/a MK RAIL CORPORATION),
a Delaware corporation,**

Mortgagor

AND

**BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION (as
successor by assignment from BANKAMERICA BUSINESS CREDIT, INC.),
as Agent for the Lenders**

Dated: as of February 27, 1997

Doc. #412330 (BUSMD11.SAM) 02/27/97 3:57 PM

**SECOND AMENDMENT TO
MORTGAGE OF LOCOMOTIVES AND SECURITY AGREEMENT**

THIS SECOND AMENDMENT TO MORTGAGE OF LOCOMOTIVES AND SECURITY AGREEMENT (this "Second Amendment"), dated as of this 27th day of February, 1997, is made by and between MOTIVEPOWER INDUSTRIES, INC. (f/k/a MK RAIL CORPORATION), a Delaware corporation having an office and place of business at 1200 Reedsdale Street, Pittsburgh, PA 15233 (the "Mortgagor"), and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association (the "Agent" or the "Mortgagee"), having an office and place of business at 1455 Market Street, 12th Floor, San Francisco, CA 94103, individually and as agent for the financial institutions which may from time to time become Lenders under the Second Amended and Restated Credit Agreement (as defined below).

RECITALS

WHEREAS, on August 31, 1995, the Mortgagor, Motor Coils Manufacturing Co., MK Engine Systems Co., Inc., Clark Industries, Inc., Power Parts Company (therein called "Power Parts, Inc."), Touchstone, Inc., Power Parts Sign Co., and Alert Mfg. & Supply Co. (collectively the "Corporations") entered into that certain Loan and Security Agreement by and among the Corporations, the financial institutions named therein and BankAmerica Business Credit, Inc. ("BABC"), individually and as agent for certain financial institutions identified therein (as amended, the "Original Loan Agreement"), under which certain loans and financial accommodations were extended to the Corporations under the terms and conditions therein contained;

WHEREAS, pursuant to the terms and conditions of the Original Loan Agreement, the Mortgagor granted to BABC that certain Mortgage of Locomotives and Security Agreement, dated as of August 30, 1995, which mortgage was recorded with the Interstate Commerce Commission ("ICC") on August 31, 1995 and assigned ICC Recordation Number 19583 (the "Original Mortgage");

WHEREAS, on September 10, 1996, the Original Loan Agreement was amended and restated under the terms and conditions contained in that certain Amended and Restated Loan and Security Agreement (as amended, the "Amended Loan Agreement") by and among the financial institutions named therein, BABC as agent for the financial institutions, the Mortgagor, Motor Coils Manufacturing

Doc. #412330 (BUSMO-H.SAM) 02/27/97 3:57 PM

Co., MK Engine Systems Company, Inc., Clark Industries, Inc., Power Parts Company, Touchstone, Inc. and Power Parts Sign Co.;

WHEREAS, pursuant to the terms of the Amended Loan Agreement, the Mortgagor and BABC entered into that certain First Amendment to Mortgage of Locomotives and Security Agreement, dated as of September 10, 1996, which was filed with the Surface Transportation Board ("STB") (formerly the ICC) on September 10, 1996 and assigned STB Recordation Number 19583-E (the "Amended Mortgage") (the Original Mortgage, as amended by the Amended Mortgage, the "Existing Mortgage");

WHEREAS, Mortgagor has changed its name from MK Rail Corporation to "MotivePower Industries, Inc.";

WHEREAS, BABC has, immediately prior to the effectiveness of the Existing Credit Agreement (as hereinafter defined), assigned to Agent and the Lenders under the Existing Credit Agreement all of BABC's rights, duties and obligations (including, without limitation, assigning to Agent its rights, duties and obligations as mortgagee) under the Amended Loan Agreement;

WHEREAS, the Amended Loan Agreement was amended and restated under the terms and conditions contained in that certain Second Amended and Restated Credit Agreement, made as of the date first above written (as amended, restated and modified, the "Existing Credit Agreement"), by and among the financial institutions from time to time party to the Existing Credit Agreement (the "Lenders"), the Agent, as agent for the Lenders, and Mortgagor;

WHEREAS, Mortgagor and Mortgagee desire to conclusively establish that the Existing Mortgage secures the Obligations contained in the Existing Credit Agreement, and the Mortgagor and the Mortgagee desire to amend the Existing Mortgage as hereinafter provided.

NOW THEREFORE, in consideration of the premises and the terms and conditions contained herein, the receipt and sufficiency of which consideration are hereby acknowledged, the Existing Mortgage is hereby amended as follows (the amendments set forth in Sections 1 through 5 hereof being effective from and after the effective date of this Second Amendment):

1. Section 1 of the Amended Mortgage is deemed deleted in its entirety and replaced with the phrase

"intentionally deleted," and all references in the Original Mortgage to the "Loan and Security Agreement" are deemed to mean and refer to the Existing Credit Agreement.

2. All references in the Existing Mortgage to the "Agent" or the "Mortgagee" shall be deemed to mean and refer to Bank of America National Trust and Savings Association in its capacity as Agent and all references to "Mortgagor" shall be deemed to mean and refer to MotivePower Industries, Inc.

3. All references in the Existing Mortgage to "Loan Party" or "Loan Parties" are deemed to mean and refer to the Mortgagor.

4. Section 2 of the Amended Mortgage is deemed deleted in its entirety and replaced with the phrase "intentionally deleted." The first (1st) recital of the Original Mortgage is deemed deleted, and the following recital placed in its stead:

B. Agreement to Finance. Pursuant to that certain Second Amended and Restated Credit Agreement (the Second Amended and Restated Credit Agreement, and all extensions, renewals, amendments, substitutions or replacements thereto, referred to herein as the "Credit Agreement") by and among the Mortgagor, the Agent and the financial institutions from time to time party to the Credit Agreement (herein referred to individually as a "Lender" and collectively as "the Lenders"), each agreed to make available to the Mortgagor, upon the terms and conditions set forth in the Credit Agreement, its pro rata share of certain credit facilities in an aggregate amount up to SEVENTY-FIVE MILLION DOLLARS (\$75,000,000.00), consisting of a revolving credit facility of up to FIFTY-FIVE MILLION DOLLARS (55,000,000.00) and a term loan of up to TWENTY MILLION DOLLARS (\$20,000,000.00). The indebtedness of the Mortgagor to the Lenders under the Credit Agreement shall bear interest at rates provided in the Credit Agreement and to be repaid at the times and places and in the manner set forth in the

Credit Agreement, and containing other terms and provisions all of which are specifically incorporated herein by reference. The Credit Agreement, and all of the terms and provisions thereof, are hereby specifically incorporated herein by reference and all capitalized terms defined in the Credit Agreement shall have the same meanings herein except only as otherwise defined herein.

5. All references in the Existing Mortgage to "Schedule 1" are deemed to mean and refer to Schedule 1 attached hereto.

6. Except as otherwise expressly provided herein, nothing herein contained shall in any way (a) impair or affect the validity and priority of the Lien of the Existing Mortgage; (b) alter, waive, annul or affect any provision, condition or covenant in the Existing Mortgage; or (c) affect or impair any rights, powers or remedies under the Existing Mortgage. It is the intent of the parties hereto that all the terms and provisions of the Existing Mortgage shall continue in full force and effect, except as amended by this Second Amendment.

7. In the event any one or more of the provisions contained in this Second Amendment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Second Amendment, and this Second Amendment shall be construed as if such provision had not been contained herein.

8. All of the terms and provisions of this Second Amendment shall apply to, bind and inure to the benefit of Mortgagor, Mortgagee and their respective successors and assigns.

9. This Second Amendment may be executed in as many counterparts as may be deemed necessary or convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument.

10. The Existing Mortgage, as herein additionally modified and amended, is hereby ratified and in full force and effect.

11. Unless otherwise defined herein, all capitalized terms shall have the same meaning as set forth in the Existing Mortgage as modified by this Second Amendment.

IN WITNESS WHEREOF, this Second Amendment has been duly executed by the Mortgagor and the Mortgagee and is effective as of the date first above written.

Mortgagor:

MOTIVEPOWER INDUSTRIES, INC.,
a Delaware corporation

By: Thomas P. Lyong
Name: Thomas P. Lyong
Title: Vice President and Treasurer

Mortgagee:

BANK OF AMERICA NATIONAL
TRUST AND SAVINGS
ASSOCIATION,
a national banking
association, individually and
as Agent for the Lenders

By: William J. Staffell
Name: WILLIAM J. STAFFELL
Title: VICE PRESIDENT

ACKNOWLEDGMENT

State of Illinois)
) ss:
County of Cook)

On this 27th day of February, 1997 before me, a
Notary Public of the State of Illinois, personally appeared,
Thomas P. Lyons, to me personally known,
who being by me duly sworn, says that he or she is the
Vice President and Treasurer of MotivePower
Industries, Inc., a Delaware corporation, and acknowledges that
he or she signed, executed, sealed with the corporate seal the
foregoing instrument and delivered the same as such officer as
aforesaid, and that the foregoing instrument is the voluntary act
and deed of such corporation, made by authority of its Board of
Directors.

IN WITNESS WHEREOF, I hereunto set my hand and
official seal.

(Seal)

Laura J. Smiley
Notary Public

My Commission expires 10-6-99



ACKNOWLEDGMENT

State of Illinois)
) ss:
County of Cook)

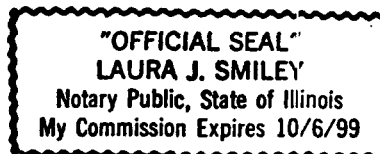
On this 27th day of February, 1997 before me, a Notary Public of the State of Illinois, personally appeared, William J. Stafeil, to me personally known, who being by me duly sworn, says that he or she is the Vice President of Bank of America National Trust and Savings Association, a national banking association, and acknowledges that he or she signed, executed, sealed with the corporate seal the foregoing instrument and delivered the same as such officer as aforesaid, and that the foregoing instrument is the voluntary act and deed of such corporation, made by authority of its Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

(Seal)

Laura J. Smiley
Notary Public

My Commission expires 10-6-99



SCHEDULE 1

To Mortgage of Locomotives

February 27, 1997

Description of Locomotives Mortgaged:

<u>Model</u>	<u>AAR Designation</u>	<u>Road Number</u>	<u>Former Road Number (if Applicable)</u>	<u>Serial Number</u>	<u>Identifying Mark</u> ¹	<u>Former Identifying Mark (if Applicable)</u>
F45	D126	MPEX 5525	MKCX 5525	34036	Utah Rail	MKCX
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F45	D126	MPEX 5529	MKCX 5529	34054	Utah Rail	MKCX
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